

## **EXHIBIT 8**

Page 1

1 IN THE UNITED STATES DISTRICT COURT  
2 DISTRICT OF MINNESOTA

6  
7 CIVIL NO. : 18-1776 (JRT/HB)

10 | IN RE PORK ANTITRUST LITIGATION

12 This Document Relates to:

13 | All Actions

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STEVE MEYER, Ph.D.

April 26, 2022

1 paragraph states that "To function  
2 efficiently, the U.S.-Canadian pork  
3 sector must be a well-tuned interaction  
4 of mainly independent businesses. Input  
5 suppliers, producers, packers,  
6 processors, retailers and foodservice  
7 operators must all be 'on the same page'  
8 in order to deliver to consumers the  
9 correct quantity of pork products with  
10 the right characteristics in a timely  
11 manner."

12 Can you explain what you meant  
13 by that?

14 A. Well, it's a multilevel market  
15 supply chain where one level doesn't make  
16 the decisions for the next level, whether  
17 that be producers for packers or packers  
18 for producers or any -- any pair up and  
19 down the thing. So it is -- it's kind of  
20 one of those Adam Smith magical hand that  
21 guides this industry. And it's based on  
22 a knowledge of what's going on in the  
23 industry and having good information  
24 about what's going on in the industry  
25 that everybody tries to make decisions

1       that optimizes their own business and  
2       delivers good quality products, the right  
3       amount of quality products to consumers.  
4       So it's always been kind of an amazement  
5       to me that the whole thing works together  
6       as well as it does, given that everyone's  
7       making their own decisions.

8           Q.     And if we go to page 35 of  
9       the -- of the article, so this is the  
10      second page of the document.

11       A.     Yes, sir.

12       Q.     Yes. And if we under the  
13      header, "Importance of Packing Capacity,"  
14      there's a paragraph that starts,  
15      "Furthermore."

16       A.     Uh-huh.

17       Q.     And it says: "Furthermore, no  
18      one in the packing-processing sector  
19      decides how much to produce. That  
20      decision rests solely with the people who  
21      breed and farrow sows."

22           Is that true?

23       A.     Yes, it is. I mean --

24           MR. CARTER: Object to form.

25       Q.     And was that -- that was true at

1 the time you wrote it, and does it remain  
2 true today?

3 A. It's true today.

4 MR. CARTER: Objection to form.

5 A. It's true today. The total  
6 volume decision of pigs coming to market  
7 and pork production -- not exactly pork  
8 production, but for sure pigs coming to  
9 market is determined by decisions to  
10 breed sows. And 10 months later or 11  
11 months later, we have market hogs out of  
12 those. We have never left a pig alive  
13 out in the field that we said, well,  
14 we're just not going to kill that many  
15 pigs this -- and so we've left them out  
16 there. The packers process all the pigs  
17 that come to market. And the question at  
18 times can be what price prevails when  
19 that happens. Because sometimes, there  
20 are too many pigs and sometimes there are  
21 not enough. But they all get processed.  
22 And so the quantity decision in the pork  
23 industry is made by those people that  
24 breed sows.

25 There is one variable that --

1 well, there's more than one variable.  
2 There's several variables that affect the  
3 outcome of that. One of them would be  
4 disease situations. Another would be the  
5 chosen market weight, because you can  
6 change the amount of pork production  
7 based on how heavy the hogs are at  
8 slaughter, but that doesn't vary much  
9 other than seasonal variation and some  
10 trend growth over time. So the key  
11 decision on how many pigs we will harvest  
12 and how much pork we will produce is made  
13 every week by producers that breed sows  
14 that will farrow in four months and those  
15 pigs will come to market in six months  
16 after that.

17 Q. And so for those producers  
18 making that decision of how many sows to  
19 farrow and how many pigs to raise, is  
20 there a benefit to them of understanding  
21 the capacity, the daily slaughter  
22 capacity of the packer processors?

23 MR. CARTER: Object to form.

24 A. Absolutely. Knowing what the  
25 capacity of the industry is, is one of

1 MR. CARTER: Object to form.

2 A. Absolutely. Yes.

3 Q. And I want to orient you to the  
4 second page of the document at the top.  
5 You say: "I hold my packer friends in  
6 high regard but they hardly ever (if  
7 ever!) bid for hogs out of any sense of  
8 altruism." You see that?

9 A. Yes.

10 Q. And I just want to make sure I  
11 understand the context for this. So  
12 we've established that there are packers  
13 that produce some of their own hogs, and  
14 then there are independent farmers that  
15 produce some of their own hogs.

16 A. That's correct.

17 Q. Do you recall that testimony?

18 A. Yes.

19 Q. And for an independent farmer  
20 producing hogs, do they sell those hogs  
21 to packers for slaughter?

22 A. Yes, they do.

23 MR. CARTER: Object to form.

24 Q. And so if the farmer is selling  
25 the hogs, are the packers buying the

1 hogs?

2 A. Yes.

3 MR. CARTER: Object to the form.

4 A. Yes, in -- yes.

5 Q. And forgive me if this seems  
6 overly simple, but I think it's an  
7 important point, and I want to make sure  
8 I understand. But for the farmers  
9 selling hogs, are they trying to get the  
10 highest price they can for the pigs  
11 they're selling?

12 A. Absolutely.

13 MR. CARTER: Objection to form.

14 Q. And are the packers trying to  
15 pay as little as possible for the hogs  
16 that they're buying?

17 MR. CARTER: Object to form.

18 A. Yes. They would be trying to  
19 buy them at the most affordable price  
20 they can.

21 Q. And so this is a  
22 supplier-customer relationship between  
23 independent producers and the packers.  
24 Is that -- is that right?

25 A. Yes.

1 MR. CARTER: Object to form.

2 Q. One is trying to sell as high as  
3 they can, and the other is trying to buy  
4 as low as they can. Is that how --

5 MR. CARTER: Object to form.

6 Q. -- that dynamic works?

7 A. Yes.

8 Q. And in this kind of  
9 relationship, their interests are  
10 colliding against one another. Is that a  
11 fair summary?

12 MR. CARTER: Object to form.

13 A. I would call that a rivalrous --  
14 a market rivalry, yes.

15 Q. And it's the packers' -- is it  
16 the packers' interest to, in general,  
17 lower the price of hogs as an input for  
18 their packing operations?

19 MR. CARTER: Object to form.

20 A. I would argue it's always in the  
21 short-term interest of packers to buy  
22 hogs at lower prices. Their longer-term  
23 interest might actually be harmed by  
24 doing that because if those prices stay  
25 low enough for long enough, some

1   producers will go out of business, and  
2   then the supply of pigs that the packer  
3   has the chance to buy will go down. So  
4   in the short run, the answer is  
5   absolutely yes because it contributes to  
6   the bottom line. In the longer run, it  
7   may not be.

8           Q.    You mentioned the -- there's a  
9   couple of bullet points underneath the  
10   chart.

11          A.    Uh-huh.

12          Q.    And the first -- well, let's go  
13   to the second bullet point.

14          MR. COLEMAN: I'm sorry, Kyle.

15          Q.    Second bullet point, first line.  
16          It says, "The four most significant down  
17   spikes all correspond to periods of high  
18   packing capacity utilization."

19          A.    Yes.

20          Q.    And by -- what -- by "down  
21   spikes," are you referring to the price  
22   of hogs sold by farmers to packers?

23          A.    Well --

24          MR. WHEELER: Objection,  
25   leading.

1           A. That's generally correct. But  
2 in this chart, it's the price of hogs  
3 relative to the cutout value, or the  
4 value of the carcass being produced by  
5 the packers. So this is a percentage of  
6 the cutout value that I'm referring to in  
7 this chart.

8           Q. Let's flip to Figure 2 on the  
9 next page. Can you explain what Figure 2  
10 is showing?

11          A. Well, this would have been as of  
12 May 2017 again. And so what I'm  
13 delineating here is what are the planned  
14 increases of packing capacity on a weekly  
15 and annual basis over the next couple of  
16 years. And you can see that we had a  
17 small plant at Pleasant Hope, Missouri,  
18 which opened in the fall of 2016. We had  
19 a small plant at Windom, Minnesota, which  
20 opened in the fall of '17, as did the two  
21 big plants that I alluded to earlier in  
22 Sioux City, Iowa, and Coldwater,  
23 Michigan. And then we had another plant  
24 that at that time was in the planning  
25 stages that in fact did open in the

1 spring of 2018, that one being Wright  
2 County, Iowa. So I'm trying to delineate  
3 for producers and packers and all  
4 industry participants what the coming  
5 changes in packing capacity would mean  
6 and how many -- how many head per week  
7 those plants could handle and what the  
8 comparison of that head per week would  
9 have been compared to the fall of '15 and  
10 the fall of '16, which were two of the  
11 time periods with down spikes on the  
12 previous graph when we had very tight  
13 packing capacity situations.

14 Q. And if -- in Figure 2, in that  
15 first column, we have some references to  
16 locations.

17 A. Yes.

18 Q. Pleasant Hope, Missouri, do you  
19 know, is that a ref- -- and are all of  
20 these references to packing facilities?

21 A. Yes, they are.

22 MR. WHEELER: Objection to form.

23 A. The cities where they're  
24 located, yeah.

25 Q. And Pleasant Hope, Missouri, do